

Frank B. Adams

OIL OPERATOR

716 WILSON BUILDING
CORPUS CHRISTI, TEXAS 78476

512-884-9004



June 6, 1979



The District Engineer
U. S. Geological Survey
8440 Federal Building
Salt Lake City, Utah 84138

Gentlemen:

Enclosed, in triplicate, are forms 9-331-C " Application to Drill" for the following wells:

Frank B. Adams No. 12-1
2,500' Entrada wildcat
12- 19s-24e SLB&M
Grand County, Utah
Federal U-21624

Frank B. Adams No. 26-1
2,400' Entrada wildcat
26- 19s- 24e SLB&M
Grand County, Utah
Federal U- 23263

Frank B. Adams No. 27-1
3,700' Granite wildcat
27- 19s-24e SLB&M
Grand County, Utah
Federal U- 31469

Attached to each 9-331 C are the necessary supporting papers. The undersigned is Bonded by a Statewide Bond. Mitchell Energy, the record owner of all of the above Federal leases hold a Nationwide Federal Drilling Bond No. 59-5215 on file in the Denver office of the USGS.

If the enclosed is in order and meets with your approval, I would like to arrange the on-site inspection for all three locations at the same time.

Very truly yours,

Frank B. Adams

cc: MEC-Denver
Utah O&G Commission

Dear Jack: I would like to permit the Nos. 26-1 and 27-1 under Cause 102-5 and the No. 12-1 as a geological exception. Further, the surface in the area limits me to the location. If productive I intend to request that the area be included in Cause 102-5.

Many thanks,

Frank B. Adams
Frank B. Adams

STATE OF UTAH
DIVISION OF OIL, GAS, AND MINING

** FILE NOTATIONS **

Date: June 11, 1979

Operator: Frank B. Adams

Well No: Federal 27-1

Location: Sec. 27 T. 19S R. 24E County: Grand

File Prepared: ☒

Entered on N.I.D.: ☒

Card Indexed: ☒

Completion Sheet: ☒

API Number: 43-019-30533

CHECKED BY:

Administrative Assistant: unorthodox location
letter sent 7/20/79
Remarks: Bonnie

Petroleum Engineer: Not approved M.G. McInden 8-10-79
Remarks: unorthodox location - Received letter 8-6-79 for unortho location

Director: F
Remarks:

INCLUDE WITHIN APPROVAL LETTER:

Bond Required: ☐

Survey Plat Required: ☐

Order No. _____

Surface Casing Change ☐
to _____

Rule C-3(c), Topographic exception/company owns or controls acreage
within a 660' radius of proposed site ☐

O.K. Rule C-3 ☐

O.K. In _____ Unit

Other:

☐ Letter Written/Approved

July 20, 1979

Frank B. Adams
716 Wilson Building
Corpus Christi, Texas 78476

Re: Well No. State of Utah 2-4, Sec. 2, 20 S, 23 E, Grand County, Utah
Well No. Federal 12-1, Sec. 12, T. 19S, R. 24 E, Grand County, Utah
Well No. Federal 26-1, Sec. 26, T. 19S, R. 24E, Grand County, Utah
Well No. Federal 27-1, Sec. 27, T. 19S, R. 24E, Grand County, Utah

The State of Utah, General Rules and Regulations, and Rules of Practice and Procedure, amended March 22, 1978, Rule C-3, "General Well Spacing Requirements" reads as follows:

(a) The spacing of wells in pools for which drilling units have been established shall be governed by special rules for that particular pool.

(b) All wells drilled for oil and/or gas which are not within an area covered by a special area spacing rule or which are not within a pool for which drilling units have been established, shall be located not less than 500 feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location and not less than 1000 feet from any oil well, or 4960 feet from any gas well, unless otherwise specifically permitted by order of the Commission after notice and hearing, unless an exception is granted by the Commission pursuant to Rule C-3(c).

(c) The Commission may grant an exception to the requirements of (b) above as to the situs of a particular well location, without notice and hearing, where an application has been filed in due form and;

Frank B. Adams
July 20, 1979
Page 2

- (1) The necessity for an unorthodox location is based on topographical, and/or geological conditions, and;
- (2) The ownership of all oil and gas leases within a radius of 660 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location, or all owners of oil and gas leases within such radius consent in writing to the proposed location.
- (d) Whenever an exception is granted, the Commission may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location.
- (e) The spacing requirements of this rule shall not apply in cases where, in the opinion of the Commission, engineering practices have proven otherwise.

Your locations appear to be unorthodox well locations and if they cannot be relocated to comply with Rule C-3(b) please submit an application for exception for each as outlined in Rule C-3(c).

You are also requested to furnish substantial information and data to support your application for each excepted location. This may be in the form of a statement as to why these wells cannot be located on general spacing and must be placed at the proposed locations; they may include charts, maps, letters or other data which will provide this Division with sufficient information on which to base a decision.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Michael T. Hinder
Geological Engineer

KTH:bcm

cc



Frank B. Adams

OIL OPERATOR

716 WILSON BUILDING
CORPUS CHRISTI, TEXAS 78476

512-884-9004

August 2, 1979

Division of Oil, Gas & Mining
The State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

Re: Frank B. Adams No. 27-1
ne ne 27 19s 24e
Grand County, Utah

Attention: Michael T. Minder
Geological Engineer

Gentlemen:

This letter is in response to your letter of July 20th which states that the above location appears to be an unorthodox well location according to the exists spacing rules of the State of Utah.

This location was selected on geological information gained by the employment of a geophysical process that has been successful in locating channel production in the past. The USGS & BLM limited me to the existing roads and in an attempt to stay as close to the high value station I encountered and at the same time be 125' from the road, I chose the location in question.

I am not at liberty to furnish you with a copy of the geophysical data but can assure you that information contained therein justifies this site selection. Attached is a plat showing, in yellow, the limits imposed by the BLM and why such a location selection would result.

Further, I can state that the ownership of all oil and gas leases within a radius of 660' of the proposed location is common with the ownership of the oil and gas lease under the proposed location.

To avail myself of the best location for possible commercial production, I feel that it would be impractical to relocate the proposed wellsite and I respectfully request that I be granted an exception for the No. 27-1 as provided for in Rule C-3 (c).

FBA/g
encl-1

Sincerely yours,

Frank B. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

B. TYPE OF WELL

OIL WELL ☒ &/or GAS WELL ☒ OTHER ☐SINGLE ZONE ☐ MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Frank B. Adams

3. ADDRESS OF OPERATOR 716 Wilson Building

Corpus Christi, Texas 78476

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 1,200' fnl & 660' fel Section 27, Township 19 South,

Range 24 East, SLB&M

At proposed prod. zone

Same as above.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 1/2 miles nne from Cisco, Utah

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 660'

(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. NA

16. NO. OF ACRES IN LEASE

2,544.88

19. PROPOSED DEPTH

3,700' Granite

17. NO. OF ACRES ASSIGNED

TO THIS WELL

10acs (oil) 160acs (gas)

20. ROTARY OR CABLE TOOLS

Rotary - Air

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4,653' Gr. 4,663' DF

22. APPROX. DATE WORK WILL START*

August 1, 1979

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
* 8-5/8ths	" 7"	20#	180'	60 sks to surface
** 6 1/4"	4 1/2"	10.5#	3,700'	160 sks + 2% KCL

* 7" casing will be new 20# K-55 8R ST&C - Range 3 surface pipe
** 4 1/2" will be new 10.5# K-55 8R ST&C - Range 3 long string

Attachments:

Supplement to 9-331 C as required by NTL-6
12 point surface use plan
Designation of Operator
7 point pressure control plan w/ schematic of BOP

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Frank B. Adams TITLE Operator DATE May 29, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY (Orig. Sgd.) R. A. Henricks

TITLE ACTING DISTRICT ENGINEERDATE AUG 7 1979

CONDITIONS OF APPROVAL, IF ANY:

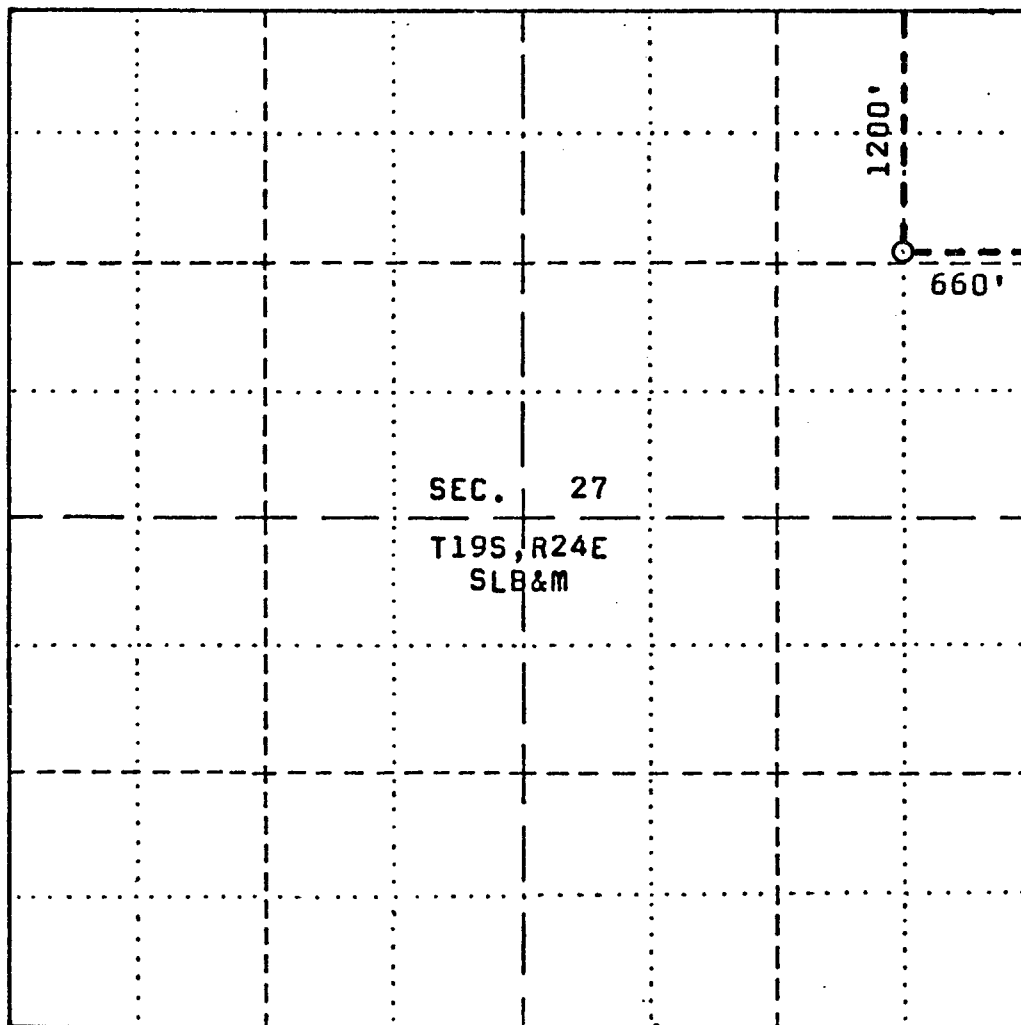
CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

*See Instructions On Reverse Side

NOTICE OF CANCELLATION

State 0 + 9

NECESSARY PLANNING AND DRILLING AND
COMPLETION APPROVALS TO ROYALTY (NTL-4)



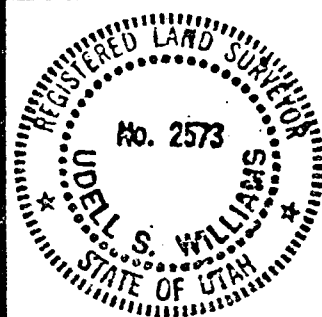
SCALE: 1" = 1000'

FRANK B. ADAMS #27-1

Located South 1200 feet from the North boundary and West 660 feet from the East boundary of Section 27, T19S, R24E, SLB&M.

Elev. 4653

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

UdeLL S. Williams
UTAH R.L.S. NO. 2573



UDELL S. WILLIAMS
751 Rood Avenue
GRAND JUNCTION, COLORADO 81501

PLAT OF
PROPOSED LOCATION
FRANK B. ADAMS #27-1
NE $\frac{1}{4}$ NE $\frac{1}{4}$ SECTION 27
T19S, R24E, SLB&M

SURVEYED BY: USW DATE: 5/25/79
DRAWN BY: USW DATE: 5/26/79

United States Department of the Interior
Geological Survey
8440 Federal Building
Salt Lake City, Utah 84138

Usual Environmental Analysis

Lease No. U-31469
Operator Frank B. Adams Well No. 27-1
Location 1200' FNL 660' FEL Sec. 27 T. 19S R. 24E
County Grand State Utah Field Wildcat
Status: Surface Ownership Public Minerals Federal
Joint Field Inspection Date July 13, 1979

Participants and Organizations:

<u>Frank B. Adams</u>	<u>Operator</u>
<u>Chris Jouflas</u>	<u>American Sheep Producer's Council</u>
<u>Rocky Curnutt</u>	<u>Bureau of Land Management</u>
<u>John Evans</u>	<u>U. S. Geological Survey</u>
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Related Environmental Analyses and References:

(1) Book Mountain Unit Resource Analysis, Bureau of Land Management, Utah

(2)

Analysis Prepared by: John T. Evans, Environmental Scientist
Grand JunctionDate July 13, 1979

7-16-79
NOTED JOHN T. EVANS, JR.

*Drill Pad related 150' E
Prod 100' x 25'
Flow line not used
Stockpile 145' E
Steps on Page 6*

Proposed Action:

On June 11, 1979, Frank B. Adams filed an Application for Permit to Drill the No. 27-1 exploratory well, a 3700' oil and gas test of the Dakota, Cedar Mountain, Salt Wash, Entrada and granitic formations; located at an elevation of 4653' in the NE/4 NE/4, Sec. 27, T19S, R24E on Federal mineral lands and Public surface; lease No. U-31469. There was no objection raised to the wellsite nor to the access road. The drill pad was rotated 45° to the east to avoid disturbing old railroad bed.

A rotary rig would be used for the drilling. An adequate casing and cementing program is proposed. Freshwater sands and other mineral-bearing formations would be protected. A Blowout Preventor would be used during the drilling of the well. The proposed pressure rating should be adequate. Details of the operator's NTL-6 10-Point Subsurface and 13-Point Surface Protection Plans are on file in the U.S.G.S. District Office in Salt Lake City, Utah, and the U.S.G.S. Northern Rocky Mountain Area Office in Casper, Wyoming.

A working agreement has been reached with the Bureau of Land Management, the controlling surface agency. Rehabilitation plans would be decided upon as the well neared completion; the Surface Management Agency would be consulted for technical expertise on those arrangements.

The operator proposes to construct a drill pad 180' wide x 250' long and a reserve pit 25' x 100'. A new access road would be constructed 16' wide x 150' long from an existing and improved road. Minor grading of surface would be required. The operator proposes to construct production facilities on disturbed area of the proposed drill pad.

If production is established, plans for a gas flowline would be submitted to the appropriate agencies for approval. The anticipated starting date is July 1979 and duration of drilling activities would be about 21 days.

Location and Natural Setting:

The proposed drillsite is approximately 8½ miles NNE of Cisco, Utah, the nearest town. A good dirt road runs to within 150' of the location. This well is a wildcat well.

Topography:

The proposed location is relatively flat. The location slopes to south at 1 to 2%.

Geology:

The surface geology is Mancos. The soil is silty clays and shales. No geologic hazards are known near the drillsite. Seismic risk for the area is minor. Anticipated geologic tops are filed with the 10-Point Subsurface Protection Plan.

Approval of the proposed action would be conditioned that adequate and sufficient electric/radioactive/density logging surveys would be made to locate and identify any potential mineral resources. Production casing and cementing would be adjusted to assure no influence of the hydrocarbon zones through the well bore on these minerals. In the event the well is abandoned, cement plugs would be placed with drilling fluid in the hole to assure protection of any mineral resources.

The potential for loss of circulation would exist but would be minimized by air drilling. Loss of circulation may result in the lowering of the mud levels, which might permit exposed upper formations to blow out or to cause formation to slough and stick to drill pipe. A loss of circulation would result in contamination due to the introduction of drilling muds, mud chemicals, filler materials, and water deep into the permeable zone, fissures, fractures, and caverns within the formation in which fluid loss is occurring. The use of special drilling techniques, drilling muds, and lost circulation materials may be effective in controlling lost circulation.

A geologic review of the proposed action has been furnished by the Area Geologist, U. S. Geological Survey, Salt Lake City, Utah.

The operator's drilling, cementing, casing and blowout prevention programs have been reviewed by the Geological Survey engineers and determined to be adequate.

Soils:

No detailed soil survey has been made of the project area. The topsoils in the area range from a sandy clay to a clay type soil. The soil is subject to runoff from rainfall and has a high runoff potential and sediment production would be high. The soils are mildly to moderately alkaline and support the salt-desert shrub community.

Topsoil would be removed from the surface and stockpiled. The soil would be spread over the surface of disturbed areas when abandoned to aid in rehabilitation of the surface. Rehabilitation is necessary to prevent erosion and encroachment of undesired species on the disturbed areas. The operator proposes to rehabilitate the location and access roads per the recommendations of the Bureau of Land Management.

Approximately 1.1 acres of land would be stripped of vegetation. This would increase the erosional potential. Proper construction practice, construction of water bars, reseeding of slope-cut area would minimize this impact.

Air:

No specific data on air quality is available at the proposed location. There would be a minor increase in air pollution due to emissions from rig and support traffic engines. Particulate matter would increase due to dust from travel over unpaved dirt roads. The potential for increased air pollution due to leaks, spills, and fire would be possible.

Relatively heavy traffic would be anticipated during the drilling-operations phase, increasing dust levels and exhaust pollutants in the area. If the well was to be completed for production, traffic would be reduced substantially to a maintenance schedule with a corresponding decrease of dust levels and exhaust pollutants to minor levels. If the project results in a dry hole, all operations and impact from vehicular traffic would cease after abandonment. Due to the limited number of service vehicles and limited time span of their operation, the air quality would not be substantially reduced.

Toxic or noxious gases would not be anticipated. The operator would suppress dust from blooie line by acceptable methods such as misting.

Precipitation:

Annual rainfall should range from about 8 to 11" at the proposed location. The majority of the numerous drainages in the surrounding area are of a non-perennial nature flowing only during early spring runoff and during extremely heavy rainstorms. This type of storm is rather uncommon as the annual precipitation is around 8".

Winds are medium and gusty, occurring predominantly from south to north. The climate is semiarid with abundant sunshine, hot summers and cold winters with temperature variations on a daily and seasonal basis.

Surface Water Hydrology:

There are no live nearby streams. Drainage from the flat area of the pad is south and eventually drains to the Colorado River.

Some additional erosion would be expected in the area since surface vegetation would be removed. If erosion became serious, drainage systems such as water bars and dikes would be installed to minimize the problem. The proposed project should have minor impact on the surface water systems. The potentials for pollution would be present from leaks or spills. The operator is required to report and clean up all spills or leaks.

Groundwater Hydrology:

Some minor pollution of groundwater systems would occur with the introduction of drilling fluids (filtrate) into the aquifer. This is normal and unavoidable during rotary drilling operations. The potential for communication, contamination, and commingling of formations via the well bore would be possible. The drilling program is designed to prevent this. There is need for more data on hydrologic systems in the area and the drilling of this well may provide some basic information as all shows of fresh water would be reported. Water production with the gas would require disposal of produced water per the requirements of NTL-2B. The depths of freshwater formations are listed in the 10-Point Subsurface Protection Plan. The pits would be unlined. If fresh water should be available from the well, the owner or surface agency may request completion as a water well if given approval.

Vegetation:

Plants in the area are of the salt-desert shrub types grading to the pinyon-juniper association several miles to the north.

Proposed action would remove about 1.1 acres of vegetation. Removal of vegetation would increase the erosional potential and there would be a minor decrease in the amount of vegetation available for grazing.

The operator proposes to rehabilitate the surface upon completion of operations.

Wildlife:

Animal and plant inventory has been made by the BLM. No endangered plants or animals are known to inhabit the project area. The fauna of the area consists predominantly of mule deer, coyotes, rabbits, foxes, and varieties of small ground squirrels and other types of rodents and various types of reptiles. The area is used by man for the primary purpose of grazing domestic livestock and sheep. The birds of the area are raptors, finches, ground sparrows, magpies, crows, and jays.

Social-Economic Effect:

An on the ground surface archaeological reconnaissance would be required prior to approval of the proposed action. Appropriate clearances would then be obtained from the surface managing agency. If a historic artifact, an archaeological feature or site is discovered during construction operations, activity would cease until the extent, the scientific importance, and the method of mitigating the adverse effects could be determined by a qualified cultural resource specialist.

There are no occupied dwellings or other facilities of this nature in the general area. Minor distractions from aesthetics would occur over the lifetime of the project and are judged to be minor. All permanent facilities placed on the location would be painted a color to blend in with the natural environment. Present use of the area is grazing, recreation, and oil and gas activities.

Noise from the drilling operation may temporarily disturb wildlife and people in the area. Noise levels would be moderately high during drilling and completion operations. Upon completion, noise levels would be infrequent and significantly less. If the area is abandoned, noise levels should return to pre-drilling levels.

The site is not visible from any major roads.

The overall effect of oil and gas drilling and production activity is significant in Grand County but it is difficult to assess the environmental impact of a single well on state and/or national levels. However, if said well was to produce in sufficient quantity, additional development wells might be anticipated. This additional development, in turn, would lead to greater environmental and socioeconomic consequences.

Should the wellsite be abandoned, surface rehabilitation would be done according to the surface agency's requirements and to USGS's satisfaction. This would involve leveling, contouring, reseeding, etc., of the location and possibly the access road. If the well should produce hydrocarbons, measures would be undertaken to protect wildlife and domestic stock from the production equipment.

The proposed well site is adjacent to an old railroad bed. The drill pad was rotated to the east to avoid any dirt work to the railroad bed which also serves as the access road. A telephone line also parallels the railroad bed.

There are no national, state, or local parks, forests, wildlife refuges or ranges, grasslands, monuments, trails or other formally designated recreational facilities near the proposed location.

The proposed location is within the Book Mountain Planning Unit. This Environmental Assessment Record was compiled by the Bureau of Land Management, the surface managing agency of the Federal surface in the area. The study includes additional information on the environmental impact of oil and gas operations in this area and gives land use recommendations. The E.A.R. is on file in the agency's State offices and is incorporated herein by reference.

Waste Disposal:

The mud and reserves pits would contain all fluids used during the drilling operations. A trash pit would be utilized for any solid wastes generated at the site and would be buried at the completion of the operations. Sewage would be handled according to State sanitary codes. For further information, see the 13-Point Surface Plan.

Alternatives to the Proposed Action:

1) Not Approving the Proposed Permit--The Oil and Gas Lease grants the lessee exclusive right to drill for, mine, extract, remove and dispose of all oil and gas deposits. Under leasing provisions, the Geological Survey has an obligation to allow mineral development if the environmental consequences are not too severe or irreversible. Upon rehabilitation of the site, the environmental effects of this action would be substantially mitigated, if not totally annulled. Permanent damage to the surface and subsurface would be prevented as much as possible under U.S.G.S. and other controlling agencies' supervision with rehabilitation planning reversing almost all effects. Additionally, the growing scarcity of oil and gas should be taken into consideration.

2) Minor relocation of the wellsite and access road would not significantly reduce the environmental impact. There are no severe vegetative, animal or archaeological-historical-cultural conflicts at the site. Since only a minor impact on the environment would be expected, the

alternative of moving the location is rejected. At abandonment, normal rehabilitation of the area such as contouring, reseeding, etc., would be undertaken with an eventual return to the present status as outlined in the 13-Point Surface Plan.

Proposed Stipulation and Requirements:

- ① The operator should rotate location to parallel existing RR bed. ② The reserve pit should be fenced prior to rig release. ③ The trash pit should be fenced prior to drilling. A 200' stipulation letter is required prior to drilling. [Operator requested a victory barbeque pit in SW corner of drill pad.] Topsoil to be stockpiled on NW corner of drill pad. Operator requested a timely approval as he has a rig available and a farm out deadline. [?]

Adverse Environmental Effects Which Cannot Be Avoided:

Surface disturbance and removal of vegetation from approximately 1.1 acres of land surface for the lifetime of the project which would result in increased and accelerated erosional potential. Grazing would be eliminated in the disturbed areas and there would be a minor and temporary disturbance of wildlife and livestock. Minor induced air pollution due to exhaust emissions from rig engines of support traffic engines would occur. Minor increase in dust pollution would occur due to vehicular traffic associated with the operation. If the well is a gas producer, additional surface disturbance would be required to install production pipelines. The potential for fires, leaks, spills of gas, oil or water would exist. During the construction and drilling phases of the project, noise levels would increase. Potential for subsurface damage to freshwater aquifers and other geologic formations exists. Minor distractions from aesthetics during the lifetime of the project would exist. If the well is a producer, an irreplaceable and irretrievable commitment of resources would be made. Erosion from the site would eventually be carried as sediment in the Colorado River. The potential for pollution would exist through leaks and spills.

If well is a producer, other development wells would be anticipated with substantially greater environmental and economic impacts.

Determination:

This requested action does not constitute a major Federal action significantly affecting the environment in the sense of NEPA, Sec. 102(2)(C).

Date

7/17/79

Edw. S. ...
District Engineer
U. S. Geological Survey
Conservation Division
Oil and Gas Operations
Salt Lake City District



Frank B. Adams

OIL OPERATOR

May 29, 1979

716 WILSON BUILDING
CORPUS CHRISTI, TEXAS 78476

512-884-9004

Ten point plan to comply with ETL-6
(Supplement to 9-331 C)

Well Name: Frank B. Adams No. 27-1
ne ne 27 19s 24e SLB&M, Grand County, Utah
Federal Lease U- 31469

1. Geological name of surface formation

Mancus shale

2. Estimated tops of important geological markers

Dakota	1,895'	Salt Wash	2,305'	Granite	3,700'
Cedar Mtn	1,995'	Summerville	2,550'		
Brushy Basin	2,045'	Entrada	2,600'		

3. Estimated depth at which water, oil and/or gas is anticipated

Water - From gravel beds, if any, from surface to 100'

Oil & Gas - any of those noted in 2. above

4. Proposed casing program

See Paragraph 23 of 9-331 C

5. Pressure control details

a. Rigan BOP 3,000'psi (Hyd closing unit) tested to 1,000 psi
after surface casing is cemented, then daily thereafter.

b. Grant rotating head above BOP

c. Full shut-off gate valve on wellhead and exhaust line.

6. Drilling mud and weight material program

Operator plans to drill with air or mist to total depth. if excessive formation water, oil and/ or gas is encountered, the hole will be mudded up with 100 vis, 8.2 to 10# starch base drilling mud with KCL added. Well will be then be drilled to total depth.

Same mud program to be followed if total depth is reached with air drilling to prepare hole for logging. Mud will be mixed and ready for use before reaching the base of the Mancus shale.

7. Auxillary equipment

a. Demco kelly cocks
c. Visual monitoring of mud system

b. Check valve at bit
d. Sub on the floor with full opening valve to be stabbed into drillpipe when kelly is out of the drill string

8. Testing and logging program

- a. No formation tests anticipated
- b. Cuttings to be examined for hydrocarbon shows
- c. No cores planned
- d. Dual induction log to total depth and a Compensated Neutron - Formation Density log will be run through prospective pay zones.

9. Anticipated abnormal pressures or temperatures

No abnormal conditions expected - estimated bottom hole pressure at total depth = 1,600 psi. No toxic gases, i.e. H_2S are expected.

10. Anticipated starting date and duration of operations

On or about August 1, 1979 depending upon granting of permit and rig availability. Once commenced operation should be completed within three weeks.

Frank B. Adams

OIL OPERATOR

716 WILSON BUILDING
CORPUS CHRISTI, TEXAS 78476

May 29, 1979

512-884-9004

Surface Use Plan (NTL-6)

Frank B. Adams No. 27-1 Federal

ne ne 27 19s 24e SLB&M
Grand County, Utah
Federal Lease No. U-31469

1. Exisiting roads

- a. Proposed wellsite shown on attached plat Exhibit "A".
- b. Frank B. Adams No. 27-1 is located approximately 11 miles from Cisco, Utah and can be reached by taking the second exit on I-70 on the Utah side of the Colorado-Utah line. Follow the Sulfur Canyon road approximately 3 miles to the intersection of that road and the old railroad right-of-way. Turn left on the abandoned right-of-way for 3/4ths mile to a road flag on the left. The location is about 150' from that point.
- c. The access road to the location is color-coded and labeled on the attached plat (Exhibit "B").
- d. This location is classified as a wildcat well.
- e. Exisiting roads within a one mile radius are shown on attached Exhibit "A".
- f. No improvement is needed on the exisiting road from the Interstate to the location as the road is maintained by Grand County on a regular basis.

2. Planned access road

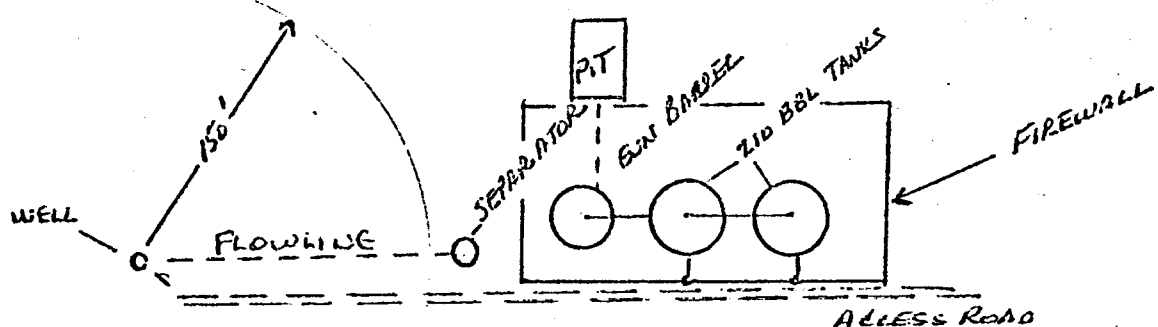
The access road to the pad will be about 50'. The maximum width will be 16'. No grade or drainage will be necessary at this location because of natural drainage and a slight south-east slope. The surface of the road will be native material bladed no deeper than 3". Since this open range, no gates or fences exist or will be needed. The access road is flagged where it leaves the railroad right-of-way.

3. Location of existing wells

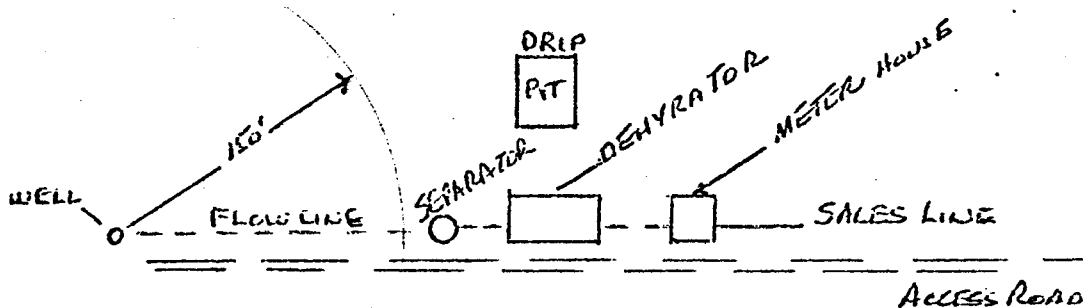
- a. Exhibit "B" shows there are no producing wells within a two mile radius of the proposed location.
- b. Exhibits "A" & "B" show the area being considered.

4. Location of existing and/or proposed facilities

- a. Operator does not own or control any facilities within a one mile radius of the proposed location.
- b. NA
- c. In the event of oil production a producing facility as shown below will be constructed on the edge of the pad. Tanks will be welded 210 bbl steel storage tanks conected by a catwalk. Oil produced will be removed by tank truck. A fire wall around the battery will be designed to contain the total volume of all storage within the wall plus 25%. All surface equipment will be painted " Desert Tan " to conform with BLM requirements.



In the event of gas production, producing facilities will consist of a separator, dehydrator, meter house and sales line. A typical set up is shown below:



This surface equipment will be painted " Desert Tan " and pits on both the oil and gas facilities will be fenced to turn livestock common to the area.

- d. Rehabilitation of all disturbed areas no longer needed after operations are completed, will be restored to a smooth contour and all debris will be cleaned up. Pits will be back filled and smoothed after drilling operations are concluded, not to exceed thirty days. The area will be stabilized with reseeding during October or November.

5. Location and type of water supply

- a. Water for drilling will be obtained at the Colorado River at Cisco.

b. Water will be transported by truck over existing roads, private, county and lease service roads.

c. No water well is planned to be drilled on the lease.

6. Source of construction materials

a. No construction materials, such as, sand, gravel and soil will be required other than native material found in place on the location.

b. No Federal or Indian lands will be the source of construction material, if any are needed.

c. In the event of production, a gravel pad will be used under the tank battery and such gravel will be hauled to the location by private contractor.

d. Does not apply since no materials will be from Federal or Indian lands.

7. Methods of handling waste disposal

a. Cuttings - Cuttings from air drilling will be exhausted into a pit at the end of the exhaust line with the line being centered in the pit. Dust will be controlled by injecting a mist into the exhaust line. After operations are completed, the pit will be back filled and covered. Said pit will be at least 125' from the wellhead.

b. Drilling fluids- To be contained in two 10' x 20' steel mud tanks. A reserve pit will be prepared to contain any excess flow from the well during drilling, cementing and completion operations. The pits will be back filled after operations are completed except those needed in connection with the production of oil or gas. Any pits not back filled will be fenced, awaiting back filling or if used in connection with production.

c. Produced fluids, such as oil and water - Oil will be properly stored in tanks erected for that purpose and water will be diverted into a pit and be disposed of as required by the amount of water involved. NTL-2B will be used as a guide for disposal of produced fluids.

d. Sewerage - A chemical toilet will be provided on the location for use by personnel.

e. Garbage and other waste material - a 10' x 10' x 6' trash pit will be constructed and surrounded by small mesh wire for use as a burn pit. Empty drums will be on location to contain loose trash before burning.

f. Well site clean up - Wellsite and pad will be properly cleaned up and restored to a smooth contour when operations are completed and the rig moved off location. This clean up will occur within 30 days after the pad is cleared. Only that part of the pad required for producing facilities will be kept in use. In the event of a dryhole, only a dryhole marker will remain.

8. Ancillary facilities

There will be no field camps or air strip required for this operation.

9. Well site layout

A plat on a scale of 1" = 30' is attached to this plan as Exhibit "C" showing:

a. Cross section of drillpad not shown since the rise in elevation is nil and no cuts or fills are required.

b. Location of mud tanks, reserve pit, burn pit and trash pit, piperacks, living facilities and soil stockpile are shown on attached Exhibit "C".

c. Rig orientation, parking areas and access road is also shown on attached exhibit.

d. Pits shown are unlined.

10. Plans to restore the surface

a. Upon completion, the entire pad not needed to produce the well will be restored, including backfilling and leveling of pits, waste disposed of and spoils material segregated, if required. The pad will then be contoured to its original contours.

b. The pad and access road, if well is abandoned, will be revegetated and rehabilitated during the month of October or November as required by the BLM.

c. Any remaining pits will be fenced and maintained after location is cleared, in the event of production.

d. If there is any oil on the pits, it will either be removed by truck or covered and the pit flagged on the surface.

e. Commencement and completion of rehabilitation operations will be completed during the month of October or November, weather permitting.

11. Other information

a. This location is on a flat area about 150' east of the old railroad right-of-way. The surface is raw Mesa Verde shale with some vegetation consisting mostly of sage brush.

b. At times the surface is leased to cattlemen and sheepmen for winter grazing by the BLM.

c. The proximity of water has been noted in paragraph 5. above. The nearest occupied building (dwelling) is located at Harley Dome some eight miles northeast of the location.

There are no known archeological, historical or cultural sites in the area. The surface is under Moab District of the BLM.

12. Operator's Representative

Frank B. Adams
716 Wilson Building
Corpus Christi, Texas 78476

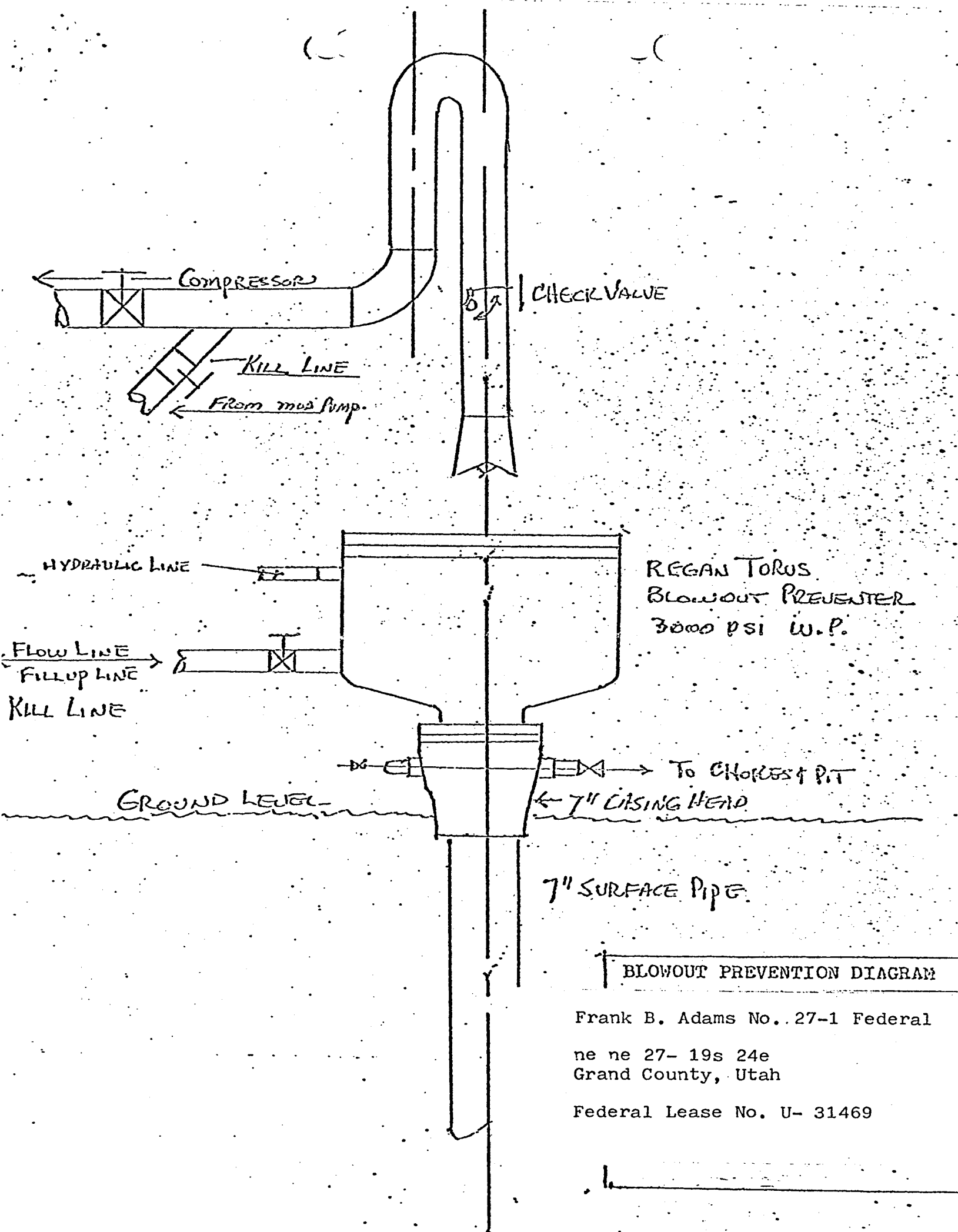
Dick White
Route #1 1251 17 Road
Fruita, Colorado 81521

512-884-9004

303-858-3487

13. I hereby certify that I have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed here will be preformed by Frank B. Adams and his contractors and subcontractors in conformity with this plan and terms and conditions under which it is approved.

Frank B. Adams
Frank B. Adams



FROM: : DISTRICT GEOLOGIST, ME, SALT LAKE CITY, UTAH

TO : DISTRICT ENGINEER, O&G, SALT LAKE CITY, UTAH

SUBJECT: APD MINERAL EVALUATION REPORT

LEASE NO. U-31469OPERATOR: FRANK B. AdamsWELL NO. 27-1LOCATION: 1/2 1/2 1/2 sec. 27, T. 19S, R. 24E, SLMGRAND County, UTAH

1. Stratigraphy: Surface - Mancos Shale Manite - 3,700'
1895' - Dakota T.D. 3700'
1995' - Cedar Mtn
2045' - Brushy Basin
2305' - Salt Wash
2550' - Summerville
2600' - Entrada

2. Fresh Water: Usable water may be found in the lenticular sandstone units of the Mancos Shale to depths of about 500'.
Deeper aquifers contain saline water - WRD-21.

3. Leasable Minerals:

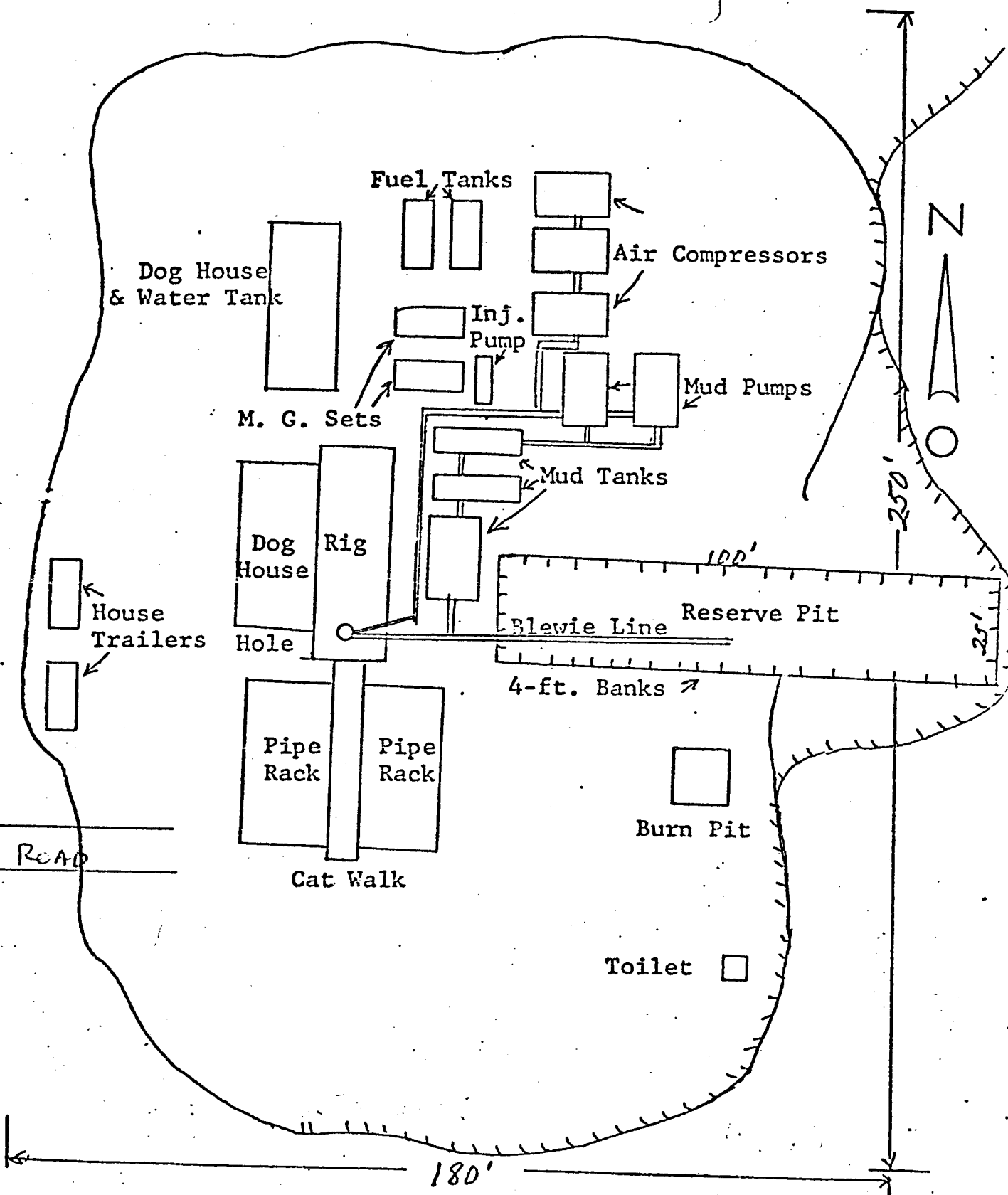
Coal beds may occur in the Ferron member of the Mancos Shale. However, well will spend stratigraphically below the mesaude coal.

4. Additional Logs Needed: also - natural gamma ray + resistivity logs

5. Potential Geologic Hazards: not anticipated by the operator.

6. References and Remarks: None

Signature: embDate: 7-18-79



RIG LAYOUT

Jacobs Drilling Co. Rig No. 2

Scale 1" = 30'

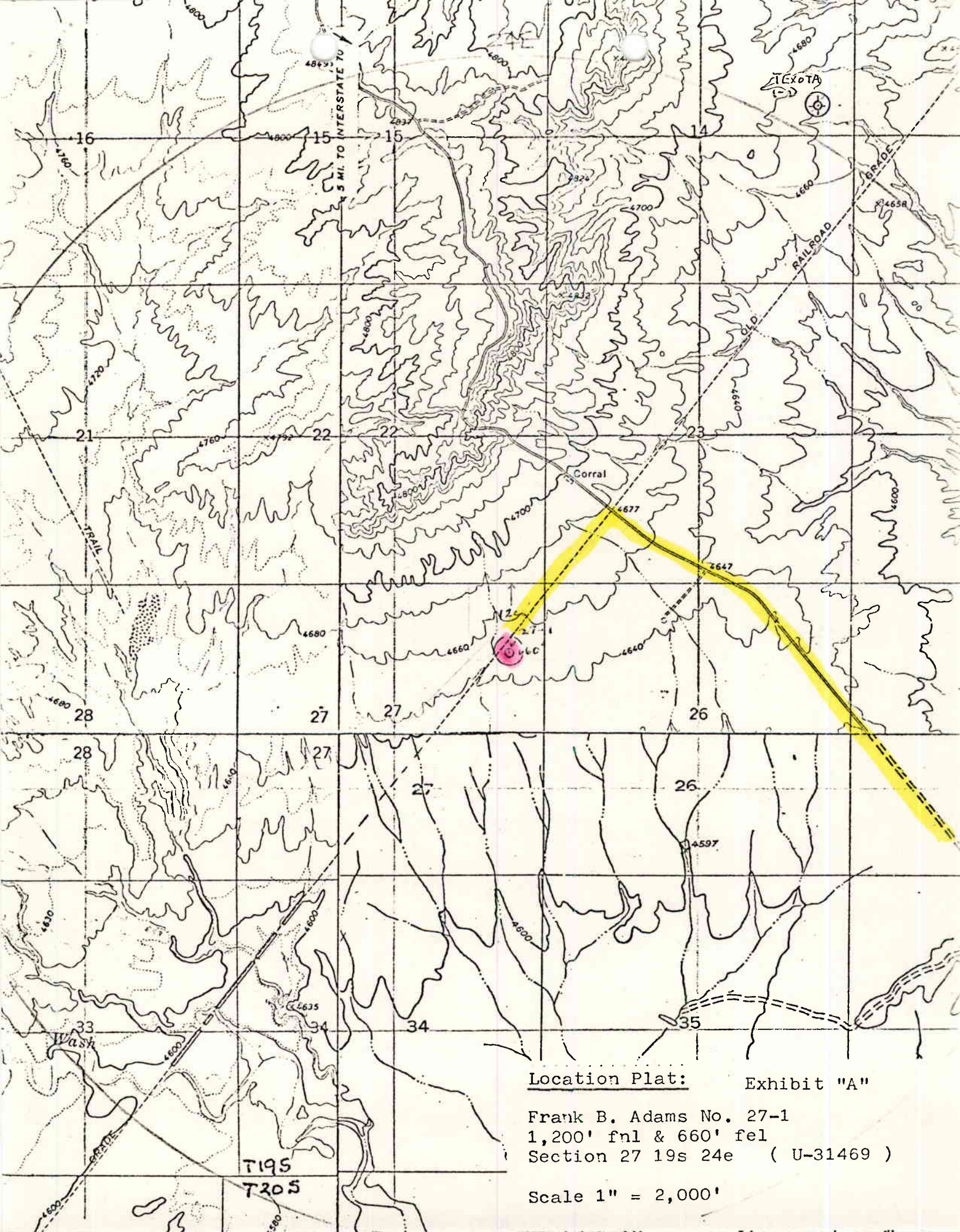
Adams No. 27-1

Exhibit "C"



Frank B. Adams No. 27-1
1,200' fnl & 660' fel
Section 27 19s 24e (U-31469)

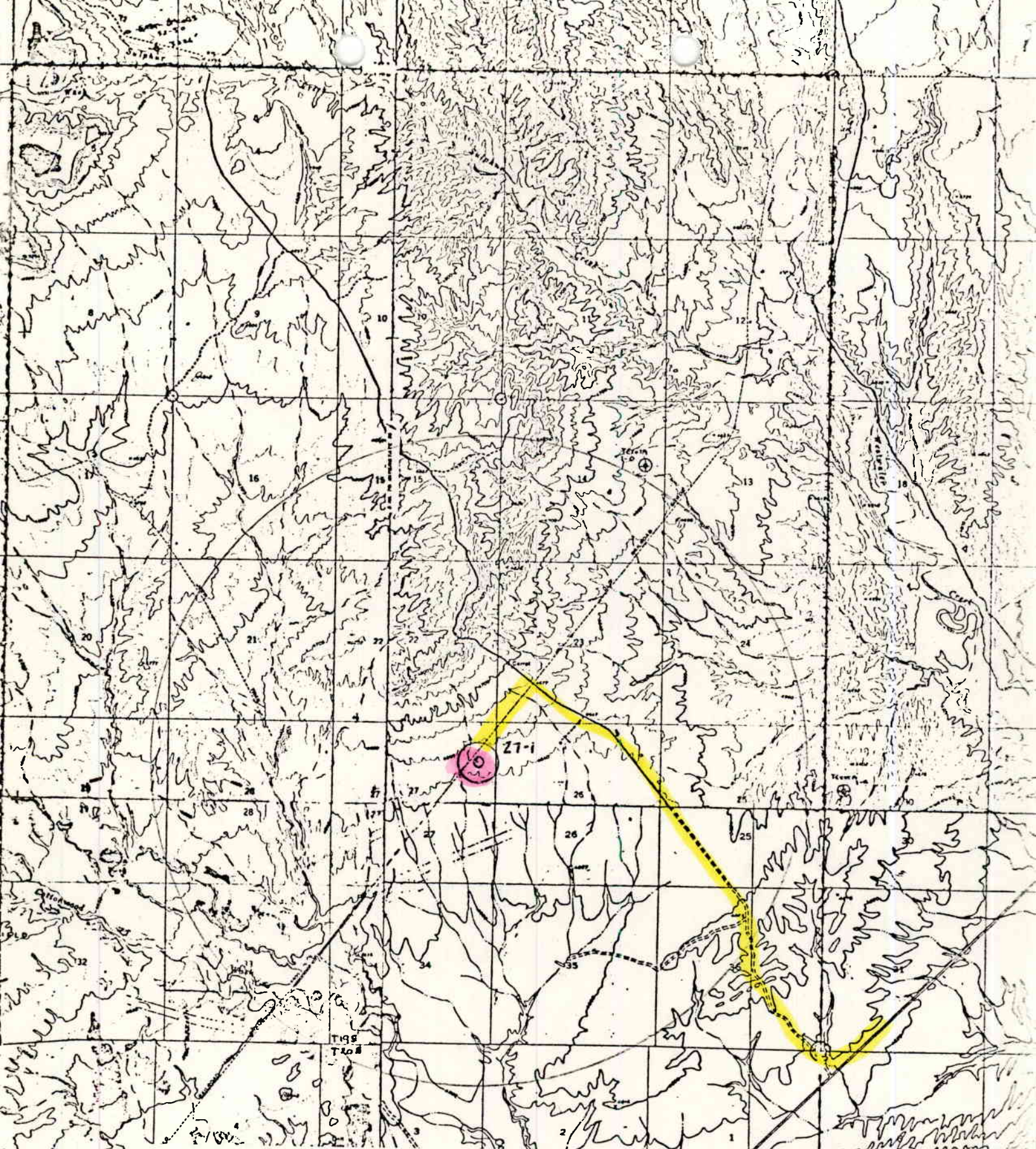
Scale 1" = 2,000'



Location Plat: Exhibit "A"

Frank B. Adams No. 27-1
1,200' fnl & 660' fel
Section 27 19s 24e (U-31469)

Scale 1" = 2,000'



Plat showing access roads-Exhibit "B"

Frank B. Adams No. 27-1 Federal

ne ne 27 19s 24e (U-31469)
Grand County, Utah

Scale 1" = 4,000'

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Salt Lake City, Utah
SERIAL NO.: U-31469

and hereby designates

NAME: Frank B. Adams
ADDRESS: 716 Wilson Building
Corpus Christi, Texas 78476

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 19 South, Range 24 East
Section 27: NE/4

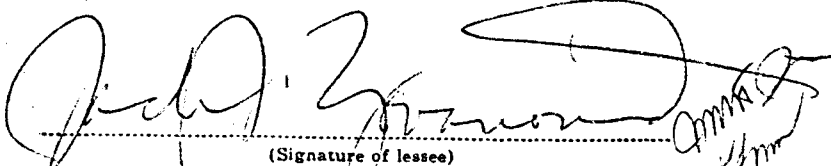
Grand County, Utah

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

MITCHELL ENERGY CORPORATION


(Signature of lessee)

Jack J. Yovanovich, Senior Vice President
3900 One Shell Plaza
Houston, Texas 77002

5-24-79
(Date)

(Address)



SCOTT M. MATHESON
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON
Executive Director,
NATURAL RESOURCES

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
1588 West North Temple
Salt Lake City, Utah 84116
(801) 533-5771

CLEON B. FEIGHT
Director

CHARLES R. HENDERSON
Chairman

JOHN L. BELL
C. RAY JUVELIN
THADIS W. BOX
CONSTANCE K. LUNDBERG
EDWARD T. BECK
E. STEELE MCINTYRE

August 10, 1979

Frank B. Adams
716 Wilson Building
Corpus Christi, Texas 78476

Re: Federal 27-1
Sec. 27, T. 19S., R. 24E.,
Grand County

Dear Sir:

Insofar as this office is concerned, approval to drill the above referred to well is hereby granted in accordance with Rule C-3, General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Geological Engineer
HOME: 876-3001
OFFICE: 533-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-019-30533.

Sincerely,
DIVISION OF OIL, GAS AND MINING

MICHAEL T. MINDER
GEOLOGICAL ENGINEER

MTM/tlh

DIVISION OF OIL, GAS AND MINING

PLUGGING PROGRAM

NAME OF COMPANY: Frank B. Adams

WELL NAME: Federal #27-1

SECTION 27 NE NE TOWNSHIP 19S RANGE 24E COUNTY Grand

VERBAL APPROVAL GIVEN TO PLUG THE ABOVE REFERRED TO WELL IN THE FOLLOWING MANNER:

TOTAL DEPTH: 3700'

CASING PROGRAM:

FORMATION TOPS:

*set conduction pipe -
no shows in hole*

PLUGS SET AS FOLLOWS:

100' plug 2740'-2640' (Entrada)

100' plug across Dakota (1800'-1900'±)

10 sx at top with marker

DATE September 13, 1979

cc: USGS

SIGNED *Frank M. Hamner*

Frank M. Hamner

18. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

SUBSEQUENT REPORT OF:

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

RECEIVED
SEP 28 1979
U.S. AIR FORCE

***See Instructions on Reverse Side**

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

STATE

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> Other _____				5. LEASE DESIGNATION AND SERIAL NO. U-31469	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____				6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Frank B. Adams				7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 716 Wilson Building Corpus Christi, TX 78476				8. FARM OR LEASE NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 1,200' fml & 660' fel Section 27-19s-24e At top prod. interval reported below At total depth Same as above				9. WELL NO. 27-1	
14. PERMIT NO. 43 019 30533				12. COUNTY OR PARISH Grand	
DATE ISSUED 8/03/79				13. STATE Utah	
15. DATE SPUDDED 8-30-79		16. DATE T.D. REACHED 9-13-79		18. ELEVATIONS (DF, REB, RT, GR, ETC.)* 4,653' Gr.	
17. DATE COMPL. (Ready to prod.)		19. ELEV. CASINGHEAD		20. TOTAL DEPTH, MD & TVD 3703'	
21. PLUG, BACK T.D., MD & TVD		22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY 0-3,703'	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* None D&A				25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN Schlumberger Dual Induction-Laterlog & FDC-CNL-GR				27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)					
CASINO SIZE 8-5/8ths		WEIGHT, LB./FT. 24#		DEPTH SET (MD) 172'	
HOLE SIZE 11"		CEMENTING RECORD To surface w/ 45		None	
29. LINER RECORD					
SIZE		TOP (MD)		BOTTOM (MD)	
SACKS CEMENT*		SCREEN (MD)		TUBING RECORD	
SIZE		DEPTH SET		SIZE	
30. TUBING RECORD					
31. PERFORATION RECORD (Interval, size and number)					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
Note: Plugging program approved by Frank Hamner, Eng. State of Utah for Utah & USGS 9/13/79					
33. PRODUCTION					
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)			WELL STATUS (Producing or shut-in)
DATE OF TEST		HOURS TESTED		CHOKE SIZE	
PROD'N. FOR TEST PERIOD		OIL—BBL.		GAS—MCF.	
WATER—BBL.		GAS-OIL RATIO		OIL GRAVITY-API (CORR.)	
FLOW. TUBING PRESS.		CASING PRESSURE		CALCULATED 24-HOUR RATE	
OIL—BBL.		GAS—MCF.		WATER—BBL.	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)					
TEST WITNESSED BY					
35. LIST OF ATTACHMENTS					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records					
SIGNED		Frank B. Adams		TITLE Operator	
DATE		9-20-79			

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

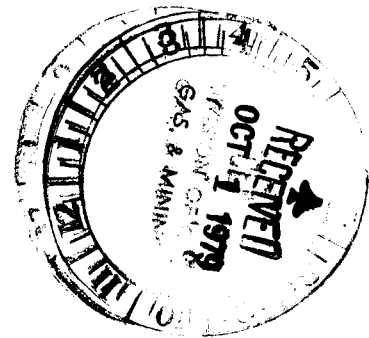
Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES			38. GEOLOGIC MARKERS			
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Base of Dakota Silt		1,831'	All cuttings sent to American Stratigraphic Lab in Denver			
Dakota	1,862'					
Morrison	2,100'					
Salt Wash	2,350'					
Entrada	2,694'					
Navajo	2,985'					
Chinle	3,240'					
Canite Wash	3,655'					
Canite	3,670'					

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS CONSERVATION
1588 West North Temple
Salt Lake City, Utah 84116



REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name and Number Frank B. Adams No. 27-1

Operator Frank B. Adams

Address 716 Wilson Bldg., Corpus Christi, TX 78476

Contractor Starnes Drilling Co., P. O. Box 1868, Grand Junction, CO 81501

Address _____

Location ne 1/4, ne 1/4, Sec. 27, T. 19S N., R. 24E E., Grand County.
S. W.

Water Sands:

<u>Depth:</u>		<u>Volume:</u>	<u>Quality:</u>
From -	To -	Flow Rate or Head -	Fresh or Salty -
Air drilled to 1,865'			
1.	<u>1,865' to 2,760'</u>	<u>Small amount of water from Top of Dakota</u>	
2.	_____	<u>soap added to lift cuttings. No increase in</u>	
3.	_____	<u>volume to logging point in Entrada @ 2,760'</u>	
4.	<u>2,760' to 3,703' Total depth- Drilled with mud- no excessive water</u>		
5.	_____	<u>encountered</u>	

(Continue on Reverse Side if Necessary)

Formation Tops:

Base of Dakota Silt	1,831'	Top of Chinle	3,240'
Top of Dakota	1,862'	Top of Granite Wash	3,655'
Top of Morrison	2,100'	Top of Granite	3,670'
Top of Salt Wash	2,350'	Note: Samples from 1,100' to 3,700'	
Top of Entrada	2,694'	send to American Strat-Denver	
Top of Navajo	2,985'	Copy of Electric Logs sent to State	

- NOTE: (a) Upon diminishing supply of forms, please inform this office.
(b) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure, (see back of this form)
(c) If a water quality analysis has been made of the above reported zone, please forward a copy along with this form.
- 1